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**NAPA EMERGENCY WOMEN'S SERVICES**  
(a nonprofit corporation)

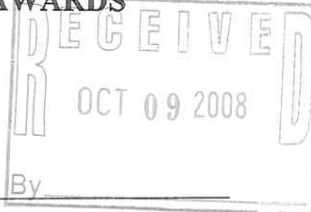
**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

**and**

**INDEPENDENT AUDITOR'S COMBINED REPORT ON THE  
BASIC FINANCIAL STATEMENTS AND THE  
SCHEDULE OF FEDERAL AWARDS**

DATE RECEIVED:



AUDIT REVIEW #(s) ~~64228~~, 04239

By

Assigned To:

Le Claire

Date Reviewed:

10/14/08

Reviewer's Initials:

RL

Date Review(s) Completed:

10/14/08

DATE RECEIVED:

RL

**JERALD C. PUTMAN**  
**CERTIFIED PUBLIC ACCOUNTANT**  
1832 Soscol Avenue, Suite 108  
Napa, California 94559  
(707) 224-0661

JERALD C. PUTMAN,  
CERTIFIED PUBLIC  
ACCOUNTANT  
JEFF CONWAY,  
ENROLLED AGENT  
VINCENT LEPORE,  
CERTIFIED PUBLIC  
ACCOUNTANT  
JANICE TONTI,  
TAX CONSULTANT

JERALD C. PUTMAN  
CERTIFIED PUBLIC ACCOUNTANT  
2238 MORELLO AVENUE  
PLEASANT HILL, CA 94523

PLEASANT HILL OFFICE  
PHONE (925) 827-1400  
FAX (925) 827-3862

ALAMEDA OFFICE  
PHONE (510) 352-3794

NAPA OFFICE  
PHONE (707) 224-0661  
FAX (707) 226-3490

WEST SACRAMENTO  
OFFICE  
PHONE (916) 371-9588  
FAX (916) 371-3676

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Napa Emergency Women's Services:

We have audited the accompanying statement of financial position of Napa Emergency Women's Services (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Napa Emergency Women's Services as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2008, on our consideration of Napa Emergency Women's Services internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Napa Emergency Women's Services taken as a whole. The schedule of expenditures information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "J. C. Futman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Napa, California  
September 2, 2008

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 670,726	\$ 651,951
Grants receivables	84,607	90,362
Prepaid expenses	4,064	7,796
Accrued interest	9,294	11,942
Deposits	1,574	1,405
Accounts receivable	6,697	1,000
Payroll Advances	<u>674</u>	<u>0</u>
Total current assets	<u>777,636</u>	<u>764,456</u>
Property and Equipment		
Land	50,336	50,336
Building and improvements	274,134	252,167
Furniture and equipment	129,487	146,737
Vehicles	<u>5,000</u>	<u>5,000</u>
	458,957	454,240
Less-accumulated depreciation	<u>(305,730)</u>	<u>(322,704)</u>
	153,227	131,536
Total Assets	\$ <u>930,863</u>	\$ <u>895,992</u>

The accompanying notes are an integral part of these financial statements.

See accountant's report dated 9-2-08

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Current Liabilities		
Accounts payable	\$ 7,718	\$ 8,703
Accrued expenses	<u>21,537</u>	<u>20,689</u>
Total current liabilities	29,255	29,392
Deferred Revenue	67,054	42,073
Notes Payable (Note 5)	<u>114,014</u>	<u>114,014</u>
	210,323	185,479
Unrestricted Net Assets	<u>720,540</u>	<u>710,513</u>
Total Liabilities & Fund Balances	<u>\$ 930,863</u>	<u>\$ 895,992</u>

The accompanying notes are an integral part of these financial statements.

See accountant's report dated 9-2-08

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**STATEMENT OF ACTIVITIES**  
**For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Public Support and Revenue		
Direct Public Support		
Donations	\$ 36,605	\$ 49,538
Fund raising activities	40,347	48,309
Donated goods	68,251	72,560
Indirect Public Support		
Napa Valley Wine Auction	93,566	90,000
Community Projects	<u>51,075</u>	<u>2,030</u>
Total public support	289,844	262,437
Revenue		
Grants from government agencies	481,706	542,266
Foundation and other grants	117,437	30,500
Interest and investment income	26,176	33,642
Fines & Fees	<u>58,078</u>	<u>47,840</u>
Total revenue	683,397	654,248
Total support and revenue	973,241	916,685
Functional Expenses		
Payroll	692,085	639,796
Other	207,875	225,735
Decrease in Securities Value	<u>22,123</u>	<u>0</u>
Total functional expenses	922,083	865,531
Donated Goods and Services	<u>41,131</u>	<u>72,560</u>
Total expenses	<u>963,214</u>	<u>938,091</u>
Excess (deficit) of support and revenue over expenses	\$ <u>10,027</u>	\$ <u>(21,406)</u>

The accompanying notes are an integral part of these financial statements.

See accountant's report dated 9-2-08

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**For the Years Ended June 30, 2008 and 2007**

	<u>Building and Total All Funds</u>
Unrestricted net assets, June 30, 2006	\$ 731,919
Excess (deficit) of support and revenue over expenses for the year ended June 30, 2007	<u>(21,406)</u>
Unrestricted net assets, June 30, 2007	\$ 710,513
Excess (deficit) of support and revenue over expenses for the year ended June 30, 2008	<u>10,027</u>
Unrestricted net assets, June 30, 2008	<u><u>\$ 720,540</u></u>

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Excess (deficit) of support and revenue over expenses	\$ 10,027	\$ (20,406)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	13,405	21,366
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Payroll advance	(674)	
Deposits	(169)	75
Accrued interest	2,648	(4,783)
Grants and accounts receivable	58	5,366
Prepaid expenses	3,732	(6,013)
Increase (decrease) in:		
Accounts payable	(985)	4,807
Accrued expenses	848	6,096
Deferred income	24,981	(37,385)
Net cash provided by operating activities	<u>53,871</u>	<u>(30,877)</u>
Cash Flows from Investing Activities:		
Purchase of equipment and building improvements	<u>(35,096)</u>	<u>(12,493)</u>
Net cash (used) provided by investing activities	<u>(35,096)</u>	<u>(12,493)</u>
Net increase (decrease) in cash	18,775	(43,370)
Cash and Cash Equivalents Beginning of Year	<u>651,951</u>	<u>695,321</u>
Cash and Cash Equivalents End of Year	<u>\$ 670,726</u>	<u>\$ 651,951</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	0	0



**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

1 - Summary of Significant Accounting Policies

Description of Entity

The Organization operates a 24-hour emergency shelter, crisis services, and comprehensive programs for victims of domestic violence and their children.

Basis of Accounting

The books of the Organization are maintained on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred. To insure observance of limitations and restrictions placed on the use of resources available, the Organization maintains its operating accounts by function and program in accordance with program contracts and as prescribed by the "Office of Criminal Justice and Planning Grantee Handbook," and the Department of Health Services, Maternal and Child Health Guidelines.

The Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for -Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Reporting Procedures

The Office of Emergency Services contract required that expenditures be reported on a monthly basis using forms prescribed therein. These reports are required in order for the Organization to be reimbursed for expenditures within contract guidelines. The Maternal and Child Health contract requires a yearly report of program results in order to receive the final twenty percent of the grant funds.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

### 1 - Summary of Significant Accounting Policies (cont'd)

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Accounts Receivable

Accounts receivable arise primarily from contracts with local, California and Federal agencies which provide for reimbursement of expenditures within contract guidelines. Management believes that all accounts receivable will be collected; therefore, no provision for bad debts has been recorded.

#### Income Taxes

The Organization is a nonprofit organization exempt from Federal and State income taxes under IRC Section 501(c)3; therefore, these financial statements contain no provision for income taxes.

#### Property and Equipment

Fixed assets are recorded at cost. Depreciation is computed using the straight-line method over their estimated useful lives of three to fifteen years.

#### Donated Equipment

Donated equipment is recorded at its fair market value on the date of receipt. Depreciation is computed using the straight-line method over six years. The City of Napa donated the rebuilding of the bathroom at the shelter during the fiscal year.

#### Donated Goods and Services

Volunteers and members of the Board of Directors have donated significant amounts of time to the Organization's program services and fund raising activities. The value of these services is difficult to ascertain, therefore no provision has been made to account for these services on these financial statements. In addition, substantial goods are donated for fund raising purposes, which are valued at their current market price. These goods are included in the financial statement under "Direct Public Support" as Donated Goods. A compensating expense category is included entitled, "Donated Goods". The total value of these goods for the years ended June, 30, 2007 and 2008 are \$72,560 and \$68,251 respectively.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

### 1 - Summary of Significant Accounting Policies (cont'd)

#### Cash and Cash Equivalents

The organization considers highly-liquid debt instruments with a due date of six months or less as cash equivalents.

#### Accrued Compensation

Vacation is earned by salaried employees at a rate of 120 hours per employee with five or less years of continued service, with graduating benefits for services from five through fifteen years. Regular part-time employees earn vacation benefits which are prorated on the average weekly hours worked during the previous six months of employment. As of June 30, 2007 and 2008, the value of accumulated vacation leave was \$18,978 and \$19,901 respectively.

### 2 - Investments

The following schedule summarizes the investment return and its classification in the Statement of Activities for the Year ended June 30, 2008:

	<u>Unrestricted</u>
Interest and Dividends	\$26,176
Unrealized Losses	<u>(22,123)</u>
Total Return on Investments	\$4,053

### 3 - Building and Equipment

Current year additions to the Building and Equipment Fund consisted of the following:

Shelter Improvements	\$27,120
Office Equipment	7,796

### 4 - Lease

The Napa Emergency Women's Services has signed a lease in the new Napa Valley Vinters Community Health Center. The building was constructed through community donations, and the lease payments consist of paying its share of the building expenses and maintenance which is budgeted to be \$37,694 for the next year (\$3,142 per month). The term of the lease is until September 30, 2012, and will be adjusted yearly for actual expenses.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

### 5 - Notes Payable

The Organization received \$114,014 from the City of Napa in May of 1991, from the City's Housing and Urban Development's Community Development Block Grant program. These funds were used to partially finance the purchase of the Organization's emergency shelter. Repayment of these funds are to occur when the shelter is sold or otherwise disposed. The note does not bear interest, but when the shelter is sold the City shall be paid the amount of the loan plus 45% of the sales price in excess of \$252,100.

Note Payable Balance, June 30, 2008

\$114,014

### 6 - Fair Values of Financial Instruments

The estimated fair value of the Association's financial instruments is summarized as follows:

The carrying values of cash, receivables, short-term unconditional Promises to Give, payables, prepaid expenses and accrued income and expenses, approximate fair value due to the short-term maturities of these assets and liabilities.

The fair values of investments are based on quoted market prices.

The carrying value of interfund notes receivable and payable, current and long-term, approximates the estimated fair value based on the inter-relationship of the instruments between the Association's funds and the intent to repay the interfund debt in current dollars.

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**For the Years Ended June 30, 2008 and 2007**

	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Year Ended</u> <u>June 30, 2007</u>
Functional Expense		
Salaries and contract labor	\$ 572,529	\$ 528,426
Payroll taxes and benefits	119,556	111,370
Advertising	0	100
Awards/appreciation	2,039	1,380
Bank charges/interest	1,413	690
Occupancy and utilities	55,963	49,580
Client needs/programs	31,774	26,369
Communications	17,502	13,943
Depreciation	13,405	21,366
Dues and subscriptions	2,638	3,157
Fund raising activities	5,248	11,222
Insurance	7,991	8,381
Maintenance and repairs	13,294	7,538
Office supplies	7,411	9,175
Postage	1,862	1,849
Printing and reproduction	1,686	10,735
Professional fees	25,238	27,649
Licenses and permits	273	235
Staff development	10,906	10,222
Property taxes	404	356
Miscellaneous	0	105
Business development	3,597	9,633
Board development	0	8,110
Lease fees	5,231	4,240
	<u>5,231</u>	<u>4,240</u>
Total	\$ <u>899,960</u>	\$ <u>865,831</u>
Equipment purchases	\$ 7,976	\$ 1,822

The accompanying notes are an integral part of these financial statements.

See accountant's report dated 9-2-08

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**  
**SCHEDULE OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2008**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors Number</u>	<u>Program Award Amount</u>	<u>Reciepts or Revenues Recognized</u>	<u>Disbursement /Expenditures</u>
Office of Emergency Services					
Domestic Violence Assistance Program 2006-2007	16.575	DV0718117	\$182,450	\$182,450	\$182,450
Department of Housing and <u>Urban Development</u>					
Community Development Block Grant Funds	14.218	MC0060028	\$24,854	\$24,854	\$24,854

<u>State Grantor/ Program Title</u>	<u>Grant Number</u>	<u>Program Award Amount</u>	<u>Reciepts or Revenue Recognized</u>	<u>Disbursement/ Expenditures</u>
Department of Health Services <u>Maternal and Child Health (BWSP)</u>				
Battered Women's Shelter Program	n/a	05-45056	\$221,329	\$221,329

The accompanying notes are an integral part of these financial statements.

See accountant's report dated 9-2-08

**SUPPLEMENTARY INFORMATION - AUDITED**

**NAPA EMERGENCY WOMEN'S SERVICES**  
**(a nonprofit corporation)**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**For the Year Ended June 30, 2008**



INDEPENDENT AUDITOR'S REPORT  
OF COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL AWARDS PROGRAMS

To the Board of Directors  
Napa Emergency Women's Services

We have audited the financial statements of Napa Emergency Women's Services (a nonprofit corporation) for the year ended June 30, 2008, and have issued our report thereon dated September 2, 2008.


We have applied procedures to test Napa Emergency Women's Services compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards, for the year ended June 30, 2008.

General Requirements tested

Political activity  
Civil rights  
Cash management  
Federal financial reports  
Drug-free Workplace Act  
Administrative requirements

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the board of directors, management, and Department of Health Services. However, this report is a matter of public record, and its distribution is not limited.

  
Jerald C. Putman, CPA  
Napa, California  
September 2, 2008

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS, REGULATIONS, CONTRACTS, AND GRANTS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
"GOVERNMENT AUDITING STANDARDS"

To the Board of Directors  
Napa Emergency Women's Services


We have audited the financial statements of Napa Emergency Women's Service (a nonprofit corporation) for the year ended June 30, 2008, and have issued our report thereon dated September 2, 2008.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Napa Emergency Women's Services is the responsibility of Napa Emergency Women's Services' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of Napa Emergency Women's Services' compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Napa Emergency Women's Services complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Napa Emergency Women's Services had not complied, in all material respects, with those provisions.

This report is intended for the information of the board of directors, management, and Department of Health Services. However, this report is a matter of public record, and its distribution is not limited.

  
Jerald C. Putman, CPA  
Napa, California  
September 2, 2008

INDEPENDENT AUDITOR'S REPORT  
OF COMPLIANCE WITH THE SPECIFIC REQUIREMENTS APPLICABLE  
TO FEDERAL AWARDS PROGRAMS

To the Board of Directors  
Napa Emergency Women's Services

We have audited the financial statements of Napa Emergency Women's Services (a nonprofit corporation) as of and for the year ended June 30, 2008, and have issued our report thereon dated September 2, 2008.

We have applied procedures to test Napa Emergency Women's Services' compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards, for the year ended June 30, 2008.

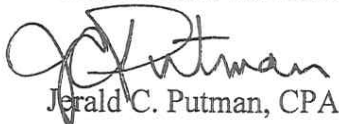
Specific requirements tested:

Types of services allowed or not allowed  
Eligibility  
Matching, level of efforts  
Federal financial reports and claims for advances and reimbursements  
Cost allocation

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Napa Emergency Women's Services' compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to the items not tested, nothing came to our attention that caused us to believe that Napa Emergency Women's Services has not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors, management, and Department of Health Services. However, this report is a matter of public record, and its distribution is not limited.

  
Jerald C. Putman, CPA  
Napa, California  
September 2, 2008

# SINGLE AUDIT REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FINANCIAL ASSISTANCE

To the Board of Directors  
Napa Emergency Women's Services

We have audited the financial statements of Napa Emergency Women's Services (a nonprofit corporation) for the year ended June 30, 2008 and have issued our report thereon dated September 2, 2008.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of Napa Emergency Women's Services for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and to report on internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs.

The management of Napa Emergency Women's Services is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal awards in the following categories:

Accounting Cycles

Treasury  
Revenue/receipts  
Purchase/disbursements  
Federal financial reporting  
Payroll/personnel

General Requirements

Political activity  
Civil rights  
Cash management  
Federal financial reports  
Allowable costs  
Drug-free Workplace Act  
Administrative requirements

Specific Requirements

Types of services allowed or not allowed  
Eligibility  
Matching, level of efforts, or earmarking and amount claimed or used for matching  
Federal financial reports and claims for advances and reimbursement  
Cost allocation

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 2008, Napa Emergency Women's Services expended 100% of its total federal awards under the following non-major program:

Office of Emergency Services  
Housing & Urban Development Program

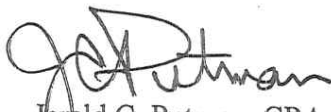
We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for

advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned non-major program, which is identified in the accompanying schedule of federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not detect any matters which we considered a material weakness.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and Department of Health Services. However, this report is a matter of public record, and its distribution is not limited.



Jerald C. Putman, CPA  
Napa, California  
September 2, 2008

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Napa Emergency Women's Services

We have audited the financial statements of Napa Emergency Women's Services (a nonprofit corporation) for the year ended June 30, 2008, and have issued our report thereon dated September 2, 2008.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.


In planning and performing our audit of the financial statements of Napa Emergency Women's Services for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Napa Emergency Women's Services is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not detect any matters which we considered a material weakness.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and Department of Health Services. However, this report is a matter of public record, and its distribution is not limited.



Jerald C. Putman, CPA  
Napa, California  
September 2, 2008





**GOVERNOR'S OFFICE OF EMERGENCY SERVICES**  
**LOCAL ASSISTANCE MONITORING BRANCH**  
3650 SCHRIEVER AVENUE  
MATHER, CALIFORNIA 95655  
PHONE: (916) 845-8120 FAX: (916) 845-8380



October 15, 2008

Ms. Tracy Lamb  
Executive Director  
Napa Emergency Women's Services  
1141 Pear Tree Lane, Suite 220  
Napa, CA 94558

SUBJECT: AUDIT REPORTS FOR THE PERIODS ENDED JUNE 30, 2006 AND  
JUNE 30, 2007

Dear Ms. Lamb:

The Governor's Office of Emergency Services (OES) has reviewed the June 30, 2007 and 2008 audit reports prepared by Jerald C. Putman on September 2, 2008.

Per OES Recipient Handbook Section 8120, "*Audit reports must be completed and submitted to the OES Audits Unit not later than nine months after the close of the Recipient's fiscal year or grant period.*" The above subject audit report was not in compliance with this requirement as the audit report submitted covered two fiscal years - July 1, 2006 through June 30, 2008. Please ensure that you submit a separate audit for all future grant periods.

Although the report for the audit period ended June 30, 2007, was performed in accordance *Government Auditing Standards*, it did not contain the separate *Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards*. Please provide a copy of that report and the Notes to Financial Statements for the same audit period to OES.

In addition, in separate letters dated June 23, 2008 and August 22, 2008, OES requested that you submit an audit for the period ending June 30, 2006. As a reminder, this report is overdue to OES. Please submit the required report or provide an explanation of why the report cannot be immediately provided.